

PROJECT CHARTER

Project Name: USDA Lean Six Sigma Grant Process Project				
Competency/PEO:	Deployment Champion: Jon Holladay			
Project Sponsor: Chuck Christopherson, Jr.	Black/Green Belt: Matthew Faulkner			

Business Impact (\$)

USDA grant programs account for over \$60 billion in annual disbursements to grantees. These grantees include: 1) State and or local governments, 2) Educational institutions, 3) Non profit organizations, 4) Indian tribes, and 5) individuals. There are approximately 194 programs, located in 14 agencies, using 7 electronic systems and an untold number of manual processes.

- Over 134,000 grant awards totaling over \$60 billion annually; states, universities and non-profit organizations are largest categories of grant recipients
- To date, no cross USDA agency efforts have streamlined grant-making process and systems
- Each agency operates largely independent of the others, uses a combination of various disparate systems and paper intensive manual processes, and there is no sharing of best practices
- There is no Department-wide view of the grant portfolio (e.g. how much spent? On what?), therefore internal/external stakeholders cannot get timely data. For example, a typical congressional inquiry takes two weeks to generate the response

Expected Benefits:

- All common processes will be supported by a documented, integrated, streamlined, sustainable and transparent approach
- All exceptions to common processes will be justified and approved through business case analysis
- A means to measure and improve customer satisfaction will be designed
- Costs for managing the Grants Management process will be reduced
- The number of payment methods will be reduced to two

Opportunity or Problem Statement (Process Metrics)

- For the past several years, the grants management process has been deemed by the customer as complex and confusing; meaning disparate systems for administering grants that result in inefficiency, utilizing customer and Federal resources in an inefficient manner
- Grants management systems are confusing, hard to use and not well-matched to user needs, nor are they sustainable, impacting how the mission is fulfilled
- Multiple confusing payment methods and systems are costly to manage and are open to abuse

Goal Statement (Process Metrics)

- All common processes will be supported by a documented, integrated, streamlined, sustainable and transparent approach by FY 08
- All exceptions to common processes will be justified and approved through business case analysis by FY 07
- Design a means to measure and attain a customer satisfaction level of X percent by the end of 2010

- Reduce costs for managing the Grants Management process by X percent by FY 08
- Reduce number of payment methods to two by FY 08

Project Scope (Horizontal and Vertical Scoping)

In Scope:

- The entire grants management life Cycle, with financial management interfaces
- 194 USDA grant programs representing over \$60 billion annually
- Identification of common process or the common elements of shared processes and language
- Identification of program unique requirements
- Identification and possible implementation, if possible, of spin-off projects

Out of Scope:

- Technical assistance which provides services instead of money
- Other assistance in the form of loans, loan guarantees, interest subsidies or insurance
- Contracts which are required to be entered into and administered under federal procurement laws and regulations
- Incoming grants
- Non-process "issues"

Assumptions:

 For stated goals, a methodology will be developed to baseline current performance, revise or update goals in accordance with those findings, and measure long term and incremental performance against the goals

Project Plan

See project plan for current progress.



DMAIC ROADMAP

LEAN SIX SIGMA GRANT PROCESS PROJECT

DEFINE	MEASURE	ANALYZE	IMPROVE/DESIGN	CONTROL
Initiate, plan and scope the project	Characterize customer needs and measure current process performance	Determine root causes and vital root cause(s)	Systematically improve process performance	Improve and monitor process to sustain gains
 Capture VOC/VOB Knowledge Develop Project/Problem Definition Prepare Project Scope (SIPOC Diagram) Take 1st pass at Project Goals that are SMART - (Specific, Measurable, Attainable, Relevant, Time_bound) Develop Project Business Case and Benefits Assign Project Team and Roles and Responsibilities Estimate Schedule and Project Plan Develop Risk Management Plan Develop Communication and Acceptance Plan Develop High Level Process Map/Model Begin Benchmarking Strategy 	 Obtain VOC/VOB clarification Develop CTQs – or To-Be Performance Measures, (SMART Goals Refined) Document As-Is Performance through Data Collection Plan– (Baseline process capability) Continue Benchmarking Report Continue and adjust Communication and Acceptance Plan 	 Analyze As-Is Data Determine Vital Root Cause(s) for Baseline Performance Assess As-Is Needs Validate Quantified Business Impact Continue and Adjust Communication and Acceptance Plan 	 Develop solutions that address vital root causes and best meet CTQs Develop To-Be Assumptions Design Refined To-Be Process Models Design Detailed To-Be Process Model(s) Develop Refined Common Functional Requirements Identify Implementation Issues/risk Develop Implementation Plan Continue and Adjust Communication and Acceptance Plan Identify Organizational and Technology Requirements Identify separate Kaizen Initiatives (as appropriate) 	 Develop Control/Response Plan Implement Control Metrics Launch Next Generation Adjust Communication and Acceptance Plan Celebrate success!